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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte BRIAN MARK SHUSTER

Appeal 2008-4520
Application 09/837,852
Technology Center 3600

Decided:[1] February 20, 2009

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge.*

DECISION ON APPEAL

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[1] The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

STATEMENT OF THE CASE

Brian Marl Shuster (Appellant) seeks our review under 35 U.S.C. § 134 of the final rejection of claims 1-3, 5-12, and 14-17. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM-IN-PART.[2]

THE INVENTION

The claimed invention relates to the electronic commerce of virtual property.

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

> 1. A method for managing virtual properties that exist solely in a virtual form within a computer network and that have no physical counterparts, comprising:
>
> providing virtual properties configured for use in a computer game operable in a memory of a game server, said virtual properties existing solely in virtual form within a computer network;
>
> assigning ownership of the virtual properties to a plurality of property owners participating in the computer game, said ownership configured through said computer game such that said property owners are permitted to use said virtual properties in said computer game but are not

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[2] Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed Nov. 20, 2007) and Reply Brief ("Reply Br.," filed Apr. 21, 2008), and the Examiner's Answer ("Answer," mailed Feb. 21, 2008).

permitted to possess a digital copy of any of said virtual properties;

maintaining an inventory of said virtual properties in a centralized database accessible by said property owners via a network connection;

allowing said property owners to transfer ownership of their respective virtual properties via said network connection; and

maintaining updated records regarding ownership of said virtual properties in said centralized database.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Johnson	US 6,591,250 B1	Jul. 8, 2003

The following rejection is before us for review:

1. Claims 1-3, 5-12, and 14-17 are rejected under 35 U.S.C. §102(e) as being anticipated by Johnson.

ISSUES OF LAW

The issue before us is whether the Appellant has shown that the Examiner erred in rejecting claims 1-3, 5-12, and 14-17 under 35 U.S.C. §102(e) as being anticipated by Johnson. Specifically, with respect to claims 1 and 9, the issue is whether Johnson expressly or inherently describes "assigning ownership of the virtual properties to a plurality of property owners participating in the computer game, said ownership configured through said computer game such that said property owners are permitted to

use said virtual properties in said computer game but are not permitted to possess a digital copy of any of said virtual properties" (claim 1). With respect to claims 7 and 16, the issue is whether Johnson expressly or inherently describes "allowing said property owners to transfer ownership comprises allowing at least one of said property owners to win one of said virtual properties from another property owner in the course of a game"(claim 7).

FINDINGS OF FACT

We find that the following enumerated findings of fact (FF) are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. Johnson relates to a system and method for managing virtual property.
2. At col. 1, ll. 46-48, in describing prior systems for managing virtual property, Johnson discloses:

> There are conventional systems which allow a user to perform secure electronic transactions between distributed computer systems.

3. In the next paragraph, at col. 1, ll. 59-67, Johnson discloses:

> Such a system can be prohibitively expensive when the system supports a large number of digitally-signed digital objects because each of the digital objects are stored on the system. In particular, the objects are stored in their entirety at the centralized server such that the items cannot be forged because they are not transmitted to clients over the network. Thus, the server would

> require a large storage system and would require a high-performance computer system to track all of the objects.

4. At col. 7, l. 9, Johnson discloses the use of game servers:

> The system may also include providers 103 that define virtual property types and the context in which they have value. Providers may be for example, game servers ... .

5. At col. 9, ll. 18-19, Johnson discloses rules as part of a virtual property item indicating privileges extended to owners:

> BinaryData 515 may include images, programs, software objects, multimedia data, or the like. BinaryData 515 may also contain rules indicating the privileges extended to the owner 102.

PRINCIPLES OF LAW

Anticipation

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

ANALYSIS

The Appellant argued claims 1 and 9, and 7 and 16, as separate groups. We select claims 1 and 7, respectively, as the representative claims for these two groups. Claims 2, 3, 5, 6, 8-12, 14, 15, and 17, all of which depend on claim 1, stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

Claims 1 and 9

The Appellant argues that "[f]irst, no showing has been made that Johnson discloses a system in which possession of digital properties is *not permitted*. Furthermore, this feature cannot be inherent in Johnson, which expressly teaches that digital copies or properties used in a game are maintained on owner computer systems." App. Br. 7 (emphasis original). See also Reply Br. 5-6.

We do not find this argument persuasive as to error in the rejection.

The Examiner *did* make a showing that Johnson discloses "assigning ownership of the virtual properties to a plurality of property owners participating in the computer game, said ownership configured through said computer game such that said property owners are permitted to use said virtual properties in said computer game but are not permitted to possess a digital copy of any of said virtual properties" (claim 1). See Answer 4.

Regarding the Appellant's contention that the claim limitation of "assigning ownership of the virtual properties to a plurality of property owners participating in the computer game, said ownership configured through said computer game such that said property owners are permitted to use said virtual properties in said computer game but are not permitted to possess a digital copy of any of said virtual properties" (claim 1) is not capable of being inherent to Johnson because it expressly teaches that digital copies or properties used in a game are maintained on owner computer systems, we first observe the Examiner appears to have relied on disclosure that the virtual properties are stored on a central computer "and not transmitted to the client over the network" (Answer 5). Thus, the Appellant's premise underlying the contention that the Examiner relied on teachings in Johnson with respect to maintaining digital copies on owner

computer systems is inaccurate. Moreover, it does not follow that digital copies or virtual properties used in a game that are maintained on owner computer systems necessarily permit property owners to *possess* a digital copy or virtual property. Simply because a digital copy may be downloaded to a user's computer does not mean the user is permitted to *possess* the downloaded digital copy. This is reflected in Johnson, which discloses that rules may be attached to a virtual property item being transferred from provider to property owner. These rules may "indicat[e] the privileges extended to the owner." FF 5. One of ordinary skill in the art reading this disclosure would understand such privileges as including, as is common, limits to the user's possession of the software.

The Appellant also argues that "Johnson discloses no embodiments or prior art operative to store digital property centrally, in which the properties are "virtual properties configured for use in a computer game," as claims 1 and 9 require." App. Br. 8. See also Reply Br. 6. The Examiner took the position that Johnson describes an embodiment whereby the digital copies may be stored centrally and that nothing in Johnson teaches away from using that embodiment. Answer 4-8. The Appellant responded by arguing that the embodiment relied upon by the Examiner was directed to financial transactions and not games and that Johnson further fails to support the Examiner's view that Johnson seeks to improve the system of financial transactions by distributing storage requirements. App. Br. 9 and Reply Br. 6.

We have carefully read Johnson. A prima facie case of anticipation is established when there is no difference between the claimed invention and the reference disclosure, *as viewed by a person of ordinary skill in the field*

of the invention. Scripps Clinic & Research Found. v. Genentech Inc., 927 F.2d 1565, 1576 (Fed. Cir. 1991). We find that, on balance, the Examiner's position comports with the view one of ordinary skill in the art would have of Johnson. As the Examiner has indicated (Answer 5-6), Johnson describes an embodiment whereby the digital copies may be stored centrally. Johnson does in fact describe storing digital objects on a centralized server, although Johnson does go on to explain that storing digital objects on a centralized server "would require a large storage system and would require a high-performance computer system to track all of the objects." FF 3. Albeit Johnson explains that there are disadvantages, nevertheless one of ordinary skill in the art reading Johnson would view it as teaching the use of a centralized server. As the Examiner correctly explained (Answer 6-8), notwithstanding that Johnson discloses detriments to the use of a centralized server, it teaches it all the same.

As to the Appellant's contention that the disclosure describing a centralized server is directed to financial transactions, not games, we find it unpersuasive because the disclosure is not in fact narrowly directed to financial transactions. The passage at col. 13, ll. 59-67 which describes the use of a centralized storage is a paragraph that makes no mention of financial transactions. FF 3. The preceding paragraph *does* discuss financial transactions but they are there discussed simply as examples of digital objects that may be used in "conventional systems which allow a user to perform secure electronic transactions between distributed computer systems". FF 2. Accordingly, one of ordinary skill in the art reading Johnson would not take the Appellant's narrow view but rather would view the disclosure of using a centralized server as describing its use for any type

of digital object. Given Johnson's disclosure of game servers (FF 4), one would further expect digital game objects to be included.

We have addressed all the Appellant's arguments. Having found them unpersuasive as to error in the rejection, we sustain the rejection. We reach the same conclusion as to claims 2, 3, 5, 6, 8-12, 14, 15, and 17, which stand or fall with claim 1.

Claims 7 and 16

As to the subject matter of claims 7 and 16, the Examiner relied on disclosure in Johnson at col. 3, ll. 21-32 as evidence that Johnson "teaches wherein said step of ["]allowing [said] property owners to transfer ownership comprises allowing at [least] one of said property owners to win one of said virtual properties from another property owner in the course of [a] game.["(claim 7)]. " Answer 4. (Claim 16 parallels the language of claim 7 but describes a function of a program operable with a server connected to a network in a system for managing virtual properties.)

The Appellant argues that Johnson does not disclose every element of these claims. App. Br. 12 and Reply Br. 7-9.

We have read the passage in Johnson that the Examiner relied upon to argue that Johnson anticipates the subject matter of claims 7 and 16. We do not see in this passage an express or inherent teaching of allowing property owners to transfer ownership by allowing a property owner to win a virtual property from another property owner in the course of a game. The passage talks about trades between first and second owners. We see nothing there that necessarily describes winning a property or transferring ownership of a property.

The Examiner argued that the function of "winning" (i.e., claim 7) and "trading" (Johnson) are the same. Answer 9. The Examiner also appears to have relied upon and maintained a position taken in a previous Office action with respect to subject matter for which Official Notice was taken. Answer 8-11. The Examiner does not spell out for what subject matter Official Notice has been taken or which Office action is relied upon that presents the Examiner's position as to the Official Notice. Based on our review of the record, we note that the Office action of Jul. 16, 2004 applied Official Notice for the principle that winning in the course of a game amounts to a transfer of ownership. We presume that is what the Examiner is referring to. The difficulty with the Examiner's argument lies in the fact that claims 7 and 16 are currently rejected under §102. In the Office action of Jul. 16, 2004, claim 7 and 16 were rejected under §103 over Johnson and Official Notice. But that is not the rejection we have been asked to review. In the context of the rejection before us, Johnson must expressly or inherently describe all the elements of the claimed subject matter to anticipate the claimed subject matter. We do not find that one of ordinary skill in the art would view Johnson as describing, expressly or inherently, allowing property owners to transfer ownership by allowing a property owner to win a virtual property from another property owner in the course of a game. We need not address the merits of the Official Notice that was taken for the principle that winning in the course of a game amounts to a transfer or ownership because it clearly was used to supplement what Johnson fails to describe. "If it is necessary to reach beyond the boundaries of a single reference to provide missing disclosure of the claimed invention, the proper ground is not § 102 anticipation, but § 103 obviousness." *Scripps Clinic & Research Found. v.*

Genentech, Inc., 927 F.2d 1565, 1577 (Fed. Cir. 1991). Since we have not been asked to review the merits of rejecting these claims under §103 over Johnson and Official Notice, we make no comments as to the merits of such a rejection.

CONCLUSIONS OF LAW

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims 1-3, 5, 6, 8-12, 14, 15, and 17 under 35 U.S.C. §102(e) as being anticipated by Johnson.

We conclude that the Appellant has shown that the Examiner erred in rejecting claims 7 and 16 under 35 U.S.C. §102(e) as being anticipated by Johnson

DECISION

The decision of the Examiner to reject claims 1-3, 5-12, and 14-17 is affirmed-in-part.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED-IN-PART

LV:

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